



SRN – 39

M.Com. (Semester – III) Examination, April/May 2018
COO 3A 4 : INDIRECT TAXES (OA – 18)

Duration : 3 Hours

Max. Marks : 60

- Instructions :**
- 1) This paper consists of **nine** questions carrying **equal** marks.
 - 2) Question No. **1** consists of **5 compulsory** questions of **2 marks each**.
 - 3) Answer **any 5** questions from question **2, 3, 4, 5, 6, 7, 8** and **9**.
 - 4) **Each** question carries **10 marks**. Figures to the **right** indicate marks.

(5×2=10)

1. Answer the following questions in brief :
 - a) State whether services provided in the State of Goa by a person having a place of business in the State of Jammu and Kashmir is taxable.
 - b) What is Assessment of Escaped Turnover under Goa VAT Act 2005 ?
 - c) State the conditions when Assessable value will be 'Transactional Value' on each removal of goods under Central Excise Act, 1944.
 - d) What do you mean by Territorial waters and Indian customs waters under Customs Act ?
 - e) Mr and Mrs Fernandes visited Spain and brought the following goods while returning to India ; their personal effects amounting to Rs. 50,000. A personal computer bought for Rs. 50,000. A laptop was bought for Rs. 75,000. Two litres of liquor was bought for Rs. 2,500. A new camera was bought for Rs. 48,000. What is the amount of Customs duty payable ?
2. a) What is the general exemption available to small service providers ? Who are the persons excluded from this exemption. 7
b) Explain the concept of input service distributor. 3
3. a) "VAT works on the principle of Tax Credit System" Elaborate. 7
b) What is Tax Invoice under GVAT ? Explain its constituents showing the Proforma. 3

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4. a) Explain the Trade Paralance Theory given under CETA, 1985. 5
- b) "Papadwala" supplied certain raw materials to several household ladies for making "Papads". The said ladies at their own premises were using their labour force to make "Papads" and receive job charges. The final product was sold directly from the premises of the ladies. "Papadwala" did not supervise their undertakings. The Central Excise Department raises huge demand of duty on "Papadwala", alleging that he is manufacturer. State giving reason whether the case is acceptable. 5
5. a) Discuss whether packing cost is includible for the purpose of customs valuation giving illustrations. 5
- b) Explain the method of valuation of 'similar goods' under Customs Valuation. 5
6. a) Determine the Place of provision of services in the following cases : 5
- Mr. Nilesh, an Indian broker provides broking services to Ms. Sunita, a foreign resident and gets commission in foreign exchange.
 - Ms. Nanda wants to participate in Travel Expo to be held in Portugal for which she makes payment to Mr. Nigel in foreign exchange. Mr. Nigel is the organizer of the Travel Expo.
 - Joshi Builders gets contract for construction of a recreational complex in Dhaka (Bangladesh) from Kyoto Company Pvt. Ltd. situated in Dhaka. Payment is made by Kyoto Company Pvt. Ltd. in Indian Rupees.
 - Inflex, an Indian Company sends its engineer to Spain for training to be provided by Mr. Gomes in Spain. Payment made by Inflex company to Mr. Gomes is in Indian Rupees.
 - Kyara, an Indian customer, delivers goods to Gati Ltd., Indian Courier company to carry goods to Dubai. Kyara is exporter and has foreign exchange reserves. Kyara makes payment to Gati Ltd. in foreign exchange.
- b) Mr. Niket, an Indian citizen, returned to India on 12th March 2015, after travelling to Los Angeles, USA for 7 months. He brought with him the following :
- Used shirts and cloth valuing Rs. 30,000
 - New cloth and fancy jewellery valuing Rs. 40,000
 - One laptop computer worth Rs. 58,000
 - 2 kg of Gold valuing Rs. 5,000 per gram. The tariff value notified by CBE&C for calculating duty on gold is USD 530 per 10 gms.
- The exchange rate notified by CBE&C is 1USD = Rs. 62.35
- What is the customs duty payable by Mr. Niket ? 5



7. CIF value of imported goods is Rs. 10,00,000. Basic customs duty payable is 10%. If the goods were produced in India, excise duty payable would have been 8%. Education cess as applicable. Special CVD payable at appropriate rates. Find the customs duty payable. What are the duty refunds available if the importer is a Manufacturer, Service Provider and Trader ? 10
8. Binaca Ltd. is in the manufacture of both excisable and non-excisable goods in the factory building. From the following particulars for the period of 1st October 2014 to 31st March 2015, state briefly with suitable explanations whether Binaca Ltd., could claim the benefit of SSI exemption. 10
- i) Clearance of branded goods Rs. 60 lakhs
 - ii) Export sales to Nepal Rs. 80 lakhs
 - iii) Export sales to USA and Canada Rs. 120 lakhs
 - iv) Clearances to a 100% EOU Rs. 75 lakhs
 - v) Exports to Bhutan Rs. 100 lakhs.
9. Determine the total amount of excise duty payable under section 4 of the Central Excise Act 1944 from the following information : 10
- i) Price of machinery excluding taxes and duties Rs. 8,00,000
 - ii) Installation and erection of machinery Rs. 25,000
 - iii) Primary and secondary packing charges Rs. 15,000
 - iv) Design and engineering charges Rs. 5,000
 - v) Material supplied by buyer free of cost Rs. 9,000
 - vi) Pre-delivery inspection expenses Rs. 1,000
 - vii) Cash discount 3% on the price of the machinery
 - viii) Central excise duty rate is 12.5%
- Make suitable assumptions as required and provide brief reasons.